

AMENDED AND RESTATED
REQUEST FOR QUALIFICATIONS
FOR
PRE-QUALIFIED LIST OF BOND COUNSEL, CO-BOND COUNSEL
AND DISCLOSURE COUNSEL FIRMS FOR POOLED BOND
ISSUANCES

Dated: ~~July 14, 2009~~

August 31, 2009



California Infrastructure And Economic Development Bank
980 9th Street, 9th Floor
Sacramento, CA 95814

Responses shall be submitted via electronic mail (email) to ibank@ibank.ca.gov
no later than
3:00 p.m. (Pacific Daylight Time)
~~August 5, 2009~~
September 21, 2009

AMENDED AND RESTATED

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

REQUEST FOR QUALIFICATIONS

FOR

PRE-QUALIFIED LIST OF BOND COUNSEL, CO-BOND COUNSEL AND DISCLOSURE COUNSEL FIRMS FOR POOL BOND ISSUANCES

**Dated: ~~July 14, 2009~~
August 31, 2009**

Dear Interested Firms:

The California Infrastructure and Economic Development Bank (I-Bank) is extending the date to respond to the solicitation for requests of qualifications from legal firms interested in being placed on a pre-qualified list of bond, co-bond and disclosure counsel firms for I-Bank pooled bond issuances. This Amended and Restated Request for Qualifications augments and clarifies the scope of work and related submission requirements and extends the final submission date to September 21, 2009.

Interested firms are encouraged to submit a proposal. Firms that previously submitted a proposal under the Request for Qualifications dated July 14, 2009, are not required to resubmit a new proposal, but may at their discretion submit amendments to their proposal or submit an entirely new proposal subject to the submittal requirements and timelines in this Amended and Restated RFQ. **FIRMS DESIRING THE I-BANK TO CONSIDER A PREVIOUSLY SUBMITTED PROPOSAL MUST SUBMIT, AT A MINIMUM, THE APPROPRIATE CERTIFICATION (AND ANY APPLICABLE AMENDMENTS) AS OUTLINED IN SECTION VI. SUBMISSION REQUIREMENTS, SUBSECTION M. CERTIFICATION OF THIS RFQ BY THE DEADLINE DATE IN THIS RFQ.**

Changes to the previously issued Request for Qualifications are marked as follows:

- ~~Deletions~~
- Additions

I. INTRODUCTION

The California Infrastructure and Economic Development Bank (I-Bank) is requesting statements of qualifications from Firms (as defined herein) interested in being selected for a list of pre-qualified bond counsel firms eligible to be appointed as bond counsel, co-bond counsel or disclosure counsel for I-Bank pooled bond issuances. The I-Bank intends to pursue pooled bond opportunities, primarily those resulting from new public

finance mechanisms authorized by the American Recovery and Reinvestment Act of 2009. The scope of services the I-Bank wishes to contract for and the information to be submitted in response to this Amended and Restated Request for Qualifications (RFQ) are set forth herein.

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (Recovery Act) into law. The Recovery Act provides significant new public financing vehicles for state and local governments (and other entities) by expanding the types of projects that can be financed with tax-exempt and taxable bonds, and giving issuers the temporary ability to issue governmental obligations as either taxable tax-credit bonds or interest subsidy bonds. The majority of these provisions are temporary and only apply to obligations issued in 2009 and 2010.

The new types of bonds included in the Recovery Act are: Build America Bonds; Recovery Zone Economic Development Bonds (RZEDBs); Recovery Zone Facility Bonds; Clean Renewable Energy Bonds; Qualified Energy Conservation Bonds; Qualified School Construction Bonds, and Qualified Zone Academy Bonds. One or more of these new types of bonds may be issued by the I-Bank on a pooled basis to maximize the use of available allocations, and/or to reduce financing costs by (i) strengthening credit through the pooling of repayment streams, (ii) improving the availability of credit enhancement, and (iii) spreading costs of issuance amongst participants.

Currently, the I-Bank is working with several California local governments that have expressed an interest in participating in a pooled bond issuance for RZEDBs. The I-Bank anticipates initially issuing RZEDBs as a pooled financing during late 2009 or early 2010. Additionally, the I-Bank intends to pursue other Recovery Act pooled bond opportunities in the near future, as well as other unique and innovative pooled financings.

As such, the I-Bank is interested in establishing a pool of pre-qualified Firms that can be selected to provide bond counsel, co-bond counsel or disclosure counsel services for these pooled bond transactions. The list of selected Firms shall be maintained for a period not to exceed three-years from the date of I-Bank Board approval of the list.

As used in this RFQ, the term Firm means either (a) a corporation, limited liability corporation, partnership or limited liability partnership or other legal entity operating as a law firm or (b) a team of such legal entities or individual lawyers submitting a joint response to this RFQ and willing to jointly represent the I-Bank. Any team of legal entities applying as a Firm should provide information in response to each submittal requirement of the RFQ from each separate entity comprising the Firm.

II. SCOPE OF WORK TO BE PERFORMED

The scope of work will include the Firm's participation from initial transaction structuring discussions to closure of the pooled bond issuance. The I-Bank anticipates making assignments to one or more of the selected Firms to provide services that include, but are not limited to, the following:

1. Prepare bond documents traditionally prepared by bond counsel, including but not limited to indenture(s), loan agreements, tax certificate(s) and miscellaneous certificates and documents.
2. Review and propose revisions to bond documents, certificates and opinions prepared by counsel to other parties to the transaction.
3. Assist in negotiations with other parties to the transaction (e.g., investment agreement providers and rating agencies).
4. Assist in structuring transactions, including determining redemption provisions, security provisions, bond covenants and other provisions for sale of bonds, in consultation with underwriter's counsel, senior managing underwriters and financial advisor, based, among other things, upon the types and strength of revenues securing the transaction.
5. Render legal opinions on the validity of the revenue bonds, the tax-exempt status of interest thereon from State and Federal income taxation and such other matters as requested.
6. Attend I-Bank Board meetings at which the transactions on which counsel is providing advice are being considered.
7. Provide legal advice on bond and tax issues that may arise in connection with the transactions, including the effect such legal issues could have on structuring transactions.
8. Orchestrate closings and prepare closing transcripts;
9. Provide post-closing advice regarding any actions necessary to ensure that interest on the bonds will continue to be tax-exempt.
10. Review state and, if necessary, Federal statutes, regulations, case law to determine legal authority for revenues pledged as security for bonds.
11. Provide other legal services related to the bond issuance, including advice concerning real estate laws and environmental laws pertaining to bond-financed projects.
12. Provide disclosure counsel services inclusive of work on official statements and render related legal opinions regarding portions of the transaction.
13. Provide any other bond counsel or disclosure counsel services as required to facilitate the pooled bond issuance.

III. MINIMUM QUALIFICATIONS

- A. The Firm must be on the State Treasurer's Office Bond Counsel Pool listing as of ~~the final date to respond to this RFQ~~ September 21, 2009. When one or more persons or entities constitute the "Firm," all such persons or entities must meet this criteria, except as set forth in Subsection C, below
- B. The Firm must provide satisfactory responses, as determined by the I-Bank, to Section VI. – SUBMISSION REQUIREMENTS, Subsection H. Legal Proceedings, of this RFQ.
- C. The Firm must include a minimum of one attorney assigned to the assignment who is a nationally recognized as a practitioner in the area of Sections 103 and

140-150 of the Internal Revenue Code. The attorney or legal entity that provides this expertise is not required meet the requirement of Subsection A. above.

- D. The Firm must possess sufficient staffing, financial and physical resources to perform the scope of services of this RFQ within a reasonable response time.
- E. The assigned lead attorney must be based in California and must be an active member of the State Bar of California with an expertise in California tax-exempt finance. This person must be accessible to the I-Bank by an electronic e-mail device such as a Blackberry or similar mobile device.
- F. The Firm's proposal to this RFQ shall be signed by an individual authorized to bind the Firm and contain the certification required in Section VI. – SUBMISSION REQUIREMENTS, Subsection M., Certification, of this RFQ.

IV. DESCRIPTION OF THE I-BANK PROGRAMS

The I-Bank was created in 1994 by the Bergeson-Peace Infrastructure and Economic Development Bank Act (Act) to provide the State of California (State) with an entity that has broad powers to finance a wide array of public development facilities and economic development facilities. The Act, as amended from time to time, provides the I-Bank with authority to, among other things, issue revenue bonds, make loans, provide credit enhancements, acquire and lease property and leverage State and Federal funds.

The I-Bank is governed by a five-member board of directors (Board) that consists of the Secretary of the Business, Transportation and Housing Agency, who serves as the chair, the State Treasurer, the Director of the State Department of Finance, the Secretary of the State and Consumer Services Agency, and an appointee of the Governor.

The I-Bank's primary programs currently include:

- *Infrastructure State Revolving Fund (ISRF) Program* (provides low-cost financing to local agencies for public infrastructure projects);
- *Industrial Development Revenue Bond Program (IDB Program)* (provides tax-exempt revenue bond financing for eligible small- to mid-size manufacturing companies);
- *Exempt Facility Revenue Bond Program* (provides tax-exempt revenue bond financing for certain IRS-approved activities);
- *501(c)(3) Revenue Bond Program* (provides tax-exempt revenue bond financing for certain nonprofit public benefit corporations);
- *State School Fund Apportionment Lease Revenue Bond Program* (provides tax-exempt revenue bond financing for school districts needing emergency apportionment loans as authorized by the State);
- *Public Agency Revenue Bond Program* (provides tax-exempt revenue bond financing for governmental entities, including the I-Bank for the purpose of funding its ISRF Program); and,

- *Other Tax-Exempt Revenue Bonds* (this category captures I-Bank bonds that do not meet the criteria of any of the five revenue bond programs listed above).

(The IDB Program, the Exempt Facility Revenue Bond Program, the 501(c)(3) Revenue Bond Program, the State School Fund Apportionment Lease Revenue Bond Program, the Public Agency Revenue Bond Program and Other Tax-Exempt Revenue Bonds are collectively referred to as the Bond Financing Programs.)

V. ENGAGEMENT/SCOPE OF WORK, PAYMENT AND RFQ TIMELINE

- A. **Engagement/Scope of Work.** Upon the I-Bank's determination that it needs bond counsel or disclosure counsel assistance in relation to a proposed issuance of pooled bonds, the I-Bank will select one or more of the Firms on the list created as a result of responses to this RFQ. The I-Bank will enter into an engagement letter for bond counsel, co-bond counsel or disclosure counsel services related to the proposed pooled bond transaction(s) with each such Firm. The engagement letter entered into shall provide for a specified scope of work described in Section II. - SCOPE OF WORK TO BE PERFORMED of this RFQ.
- B. **Payment.** Payment for services rendered shall be solely from bond proceeds, and payment will be conditioned upon the issuance of bonds.
- C. **RFQ Timeline.** The following is a list of key dates up to and including the date proposals are to be submitted:

Event	Time (PDT)	Date
RFQ available to prospective bidders		7/14/09
Written questions to be sent via e-mail to ibank@ibank.ca.gov no later than	3:00pm	7/23/09
All questions received by the deadline and the written responses will be posted to the I-Bank's website at www.ibank.ca.gov by	5:00pm	7/31/09
Final date for submission of RFQ Proposal via e-mail to ibank@ibank.ca.gov by	3:00pm	8/5/09
Selection recommendation to the I-Bank Board projected to be on <i>(The I-Bank reserves the right to make a selection at a later meeting or to not make a selection at all.)</i>		8/25/09

<u>Event</u>	<u>Time (PDT)</u>	<u>Date</u>
<u>RFQ available to prospective firms</u>		<u>8/31/09</u>
<u>Final date for submission of RFQ Proposal via e-mail to ibank@ibank.ca.gov by</u>	<u>3:00pm</u>	<u>9/21/09</u>
<u>Selection recommendation to the I-Bank Board projected to be on</u> <u><i>(The I-Bank reserves the right to make a selection at a later meeting or to not make a selection at all.)</i></u>		<u>10/27/09</u>

VI. SUBMISSION REQUIREMENTS

Firms interested in providing services identified in this RFQ to the I-Bank are requested to submit the following information, in the order of sections and method specified below. Failure to answer all questions or provide the requested information asked in the RFQ may result in the proposal being deemed non-responsive. Limit the total length of the response to 20 pages or less (without counting any cover page or a table of contents, but including counting the Executive Summary and any attachments). Firms submitting amendments to previously submitted proposals are limited to 2 additional pages of amendments. (Label and attach all submittals with the letter and title of each requirement below.)

A. Executive Summary

Provide an executive summary describing the highlights of the statement of qualifications in response to this RFQ (2-page maximum).

B. RFQ Contact Person

Provide the name, title, address, e-mail address, telephone and fax numbers of the person who will serve as the Firm's primary contact regarding this RFQ.

C. Minimum Qualifications

Discuss how the Firm meets the minimum qualifications described in Section III. – MINIMUM QUALIFICATIONS.

D. Firm Overview/Experience

If the proposal is submitted as a joint response consisting of multiple entities or individuals, provide the requested information for each entity or individual.

1. Provide a brief description of the Firm and its organizational structure, including the location(s) of the office(s) in California from which the primary work on this agreement is to be performed.

2. Describe the staffing levels of the Firm's operations and explain any significant changes in staffing, if any, that have occurred during the previous three years.
3. Discuss whether there have been any significant developments in the Firm (e.g. changes in ownership, new business ventures) within the past three years and whether any changes are expected in the near future.
4. State whether the Firm is a certified small business, as established by the California Department of General Services.
5. Briefly describe the Firm's practice and areas of expertise related bond counsel, co-bond counsel or disclosure counsel services for tax-exempt bond financing other than housing.
6. Describe the Firm's experience in the past five years serving as bond counsel, co-bond counsel or disclosure counsel for pooled bond transactions.
7. Provide a listing of pooled bond transactions in the past five years for which the Firm has served as bond counsel, co-bond counsel or disclosure counsel or underwriter's counsel. Include, at a minimum, the name of the bond issue or other obligation, the name of the issuer, the sale date, the par amount of financing, the role of the Firm, (e.g., lead bond counsel, co-bond counsel, disclosure counsel or underwriter's counsel) and staff who worked on each of the obligations listed). Please note that the I-Bank is likely to deem bond counsel experience more relevant experience when making its decision to place a Firm on the I-Bank's list of counsel, or in choosing counsel from that list.

E. Staff Qualifications

Provide brief resumes for each attorney and paralegal that will initially be assigned to provide the services identified in this RFQ. At a minimum, the resumes should cover the relevant experience and educational background, professional licenses, relevant recent training, and any specialized training, skills and background. The resumes may also include information regarding the individual's participation in State or national professional organizations, speaker or instructor roles in conferences or seminars or authorship of articles and books.

Attorneys and paralegals identified to provide the services in this RFQ may be changed during the life of the list if those personnel leave the Firm or are assigned to another office. However, at the time a Firm is asked to enter into an engagement letter, the I-Bank will ask for an update to the information regarding attorneys and paralegals providing services, and will make its decision based on the individuals assigned at that time.

F. Commitment to Provide Bond Counsel, Co-Bond Counsel or Disclosure Counsel Services in the State

If the proposal is submitted as a joint response consisting of multiple firms and/or individuals, provide the requested information for each entity or individual.

Describe the Firm's commitment to provide the services requested identified in this RFQ in California. Include answers to the following questions in the response:

1. How many employees does the Firm have in California?
2. Has the Firm opened or closed offices in California or otherwise changed its operations within the State during the last three years?
3. What are the Firm's plans for its practice in California during the next three years?

G. Conflict of Interest

If the Firm is selected to provide the services identified in this RFQ, will the contract between the Firm and the I-Bank create any current or potential conflicts of interest between the Firm's obligations to the I-Bank and the Firm's obligations to other clients of the Firm? Should the Firm know of any existing or potential conflicts of interest, describe the nature of the conflict.

H. Legal Proceedings

Respond to the following questions regarding legal (including administrative) proceedings in connection with any offering of securities by a public entity:

1. Are any legal proceedings alleging violations of law in connection with an offering of securities by a public entity pending against the Firm, any partner or owner of the Firm or any employee of the Firm (Legal Actions)? Describe each such pending action.
2. Have there been any settlements or judgments involving Legal Actions within the last five years? Describe each such settlement or judgment, including the nature of the action and the amount of recovery.

I. References

Provide the contact name, address and telephone number of five references from governmental agencies for which the Firm has provided services identified in this RFQ (contacts can duplicate clients identified in Subsection D., Items 2.c. and 2.d. above).

J. Insurance

Describe the Firm's level of malpractice insurance and provide the name of the insurer and the scope of coverage. Submit a self-certification describing the amount of coverage and confirming that the coverage includes securities transactions, or a copy of the certificate of insurance reflecting malpractice insurance and that the coverage includes securities transactions.

K. Additional Information

Provide any other information the Firm believes is relevant to the I-Bank's selection process (additional information may be attached as an appendix or appendices).

L. Fee Proposal

Compensation for work performed pursuant to engagement letters shall be solely from bond proceeds, and payment is conditioned upon the issuance of the bonds for which an engagement letter has been executed with any Firm.

Compensation for services shall be negotiated taking into account at the hourly rates agreed upon between the I-Bank and the Firm at the time the engagement letter is entered into based on the hourly rates charged for the individual attorneys and paralegals providing services, ~~provided that the I-Bank will not pay hourly rates for services in excess of \$575 per hour during the State's 2009-2010 fiscal year. Thereafter, hourly rates may be increased after the State's 2009-2010 fiscal year based on an inflation index if proposed by the Firm and to the extent accepted by the I Bank. Describe the Firm's proposed inflation index in the RFQ response.~~

Reimbursement for miscellaneous expenses shall be at the actual costs incurred by the Firm or at reimbursement rates for costs agreed upon between the I-Bank and the Firm, provided that travel expenses shall not be reimbursed at rates beyond those established for State of California employees. Hourly rates will not be paid solely for travel time.

Submit the Firm's proposed hourly rates and miscellaneous expenses in the table format provided below.

Cost for Services	
Staff Title⁽¹⁾	Hourly Rate
Managing Senior Partner	
Senior Partner	
Partner	
Associate	
Paralegal	
	Describe
Miscellaneous Expenses⁽²⁾	

⁽¹⁾ The listing of staff titles in the table is suggestive. Utilize the titles of the Firm's staff likely to work on this engagement.

⁽²⁾ List and describe miscellaneous expenses expected to be incurred for this engagement. The I-Bank will not pay for overhead expenses including the following:

- Functions that are secretarial or clerical in nature, including word processing;
- Ordinary surface mail postage;
- Ordinary local and long-distance telephone charges;
- Office supplies and normal office services;
- Ordinary photocopying or printing of e-mailed documents;
- Ordinary fax transmissions or receipts;
- Parking or meals at the Firm's office; and,
- Subscriptions (including but not limited to texts, periodicals and online sources) that are not maintained solely for the purposes of representing the I-Bank.

M. Certification

Select and submit the applicable certification below.

New Proposals

As required in Section III. – MINIMUM QUALIFICATIONS, Subsection F., the cover letter to the proposal must contain the following certification:

I, the undersigned, am an authorized representative of _____ (Firm), have read and thoroughly understand the specifications, instructions and all other conditions of the Amended and Restated Request for ~~Proposal~~ Qualifications for bond counsel, co-bond counsel or disclosure counsel services for pooled bond transactions issued by the California Infrastructure and Economic Development Bank.

The Firm hereby expresses its interest in providing the bond counsel, co-bond counsel or disclosure counsel services identified in the RFQ under the conditions set forth in the RFQ.

For Previously Submitted Proposals with no Amendments

I, the undersigned, am an authorized representative of _____ (Firm), have read and thoroughly understand the specifications,

instructions and all other conditions of the Amended and Restated Request For Qualifications for bond counsel, co-bond counsel or disclosure counsel services issued by the California Infrastructure and Economic Development Bank (I-Bank).

Our Firm submitted a proposal on or before the previously established deadline of August 5, 2009, and no amendment or change to that proposal is being made. I certify that all of the information provided in the previously submitted proposal is true and correct as of the date hereof, and that no new information is being submitted.

The Firm hereby expresses its interest in providing the bond counsel, co-bond counsel or disclosure counsel services identified in the RFQ under the conditions set forth in the RFQ.

For Previously Submitted Proposals with Amendments

I, the undersigned, am an authorized representative of (Firm), have read and thoroughly understand the specifications, instructions and all other conditions of the Amended and Restated Request For Qualifications for bond counsel, co-bond counsel or disclosure counsel services issued by the California Infrastructure and Economic Development Bank (I-Bank).

Our Firm submitted a proposal on or before the previously established deadline of August 5, 2009, and the Firm is amending its previous proposal by submitting the enclosed information and attachments. I certify all of the information provided in the previously submitted proposal along with the information submitted to the I-Bank herein is true and correct as of the date hereof and represents our Firm's amended proposal as of the date hereof.

The Firm hereby expresses its interest in providing the bond counsel, co-bond counsel or disclosure counsel services identified in the RFQ under the conditions set forth in the RFQ.

N. Method of Submission of Proposal.

Proposals submitted in response to this RFQ shall be by **e-mail only** and must be provided in a PDF format. Proposals will be accepted until 3:00 p.m. (Pacific Daylight Time) on ~~August 5~~ **September 21**, 2009, at the following e-mail address: ibank@ibank.ca.gov.

Please call Debra Otto at (916) 323-9570 if the contact person identified in the proposal does not receive an e-mail confirming the I-Bank's receipt of the proposal. Firms that do not receive confirmations from the I-Bank accept the risk that its proposal has not been received. Any proposal not received on a timely basis will not be considered.

VII. RULES AND CONDITIONS

- A. The I-Bank is not responsible for any expense incurred in preparing and submitting a response to this RFQ or taking any action in connection with the selection process, or for the costs of any services performed by any Firm prior to the execution of a contract with the I-Bank.
- B. All materials submitted in response to this RFQ become property of the I-Bank and will not be returned. The materials will be a public record subject to disclosure under the California Public Records Act (Government Code Section 6250, et seq.).
- C. The I-Bank retains the discretion to decide not to utilize the services of any selected Firm or to terminate the selection without cause and without penalty, and selection of a Firm does not assure that any services will ultimately be requested.
- D. The I-Bank reserves the right to modify and/or suspend any and all aspects of this RFQ, obtain further information from any Firm responding to this RFQ, waive any defect as to form or content of this RFQ or any response thereto, and reject any and all responses to this RFQ.
- E. Each Firm responding to this RFQ shall, by submitting a response, waive any claim or right of action against the I-Bank by reason of any aspect of this RFQ process, including but not limited to the following: defects or abnormalities contained herein; defects or abnormalities in the selection process; the rejection of any proposal; the acceptance of any proposal; any statements, representation, acts or omissions of the I-Bank; the exercise of any I-Bank discretion set forth in or with respect to any of the foregoing; and, any and all other matters arising out of all or any of the foregoing.
- F. Oral communications with I-Bank officers and employees shall be non-binding on the I-Bank and shall in no way exempt the applicant from obligations as set forth in this RFQ.
- G. The I-Bank reserves the right to select a Firm that will best meet the I-Bank's needs, regardless of differences in fees and expenses among responders to this RFQ. The I-Bank retains the right to waive irregularities in any response.

VIII. RFQ SELECTION PROCESS

A selection committee made up of I-Bank staff will review and score all responses to this RFQ received by the deadline. Those responses complying with Section III. – MINIMUM QUALIFICATIONS of this RFQ will be evaluated based on the following criteria:

- A. Firm's Qualifications and Experience. The quality and depth of the Firm's staff expertise, capability and prior experience in providing the services identified in this RFQ including, but not limited to, past performance with respect to such services of comparable magnitude and complexity in California. Client references may be contacted to further understand the Firm's qualifications, experience and performance.
- B. Competitiveness of proposed fees.
- C. Overall quality of the written response to this RFQ.

Oral interviews may be scheduled by phone and the notice of the interview schedule, if any, will be provided to the primary contact designated by the Firm.